



**CITY OF SCOTTSDALE
DESERT DISCOVERY CENTER PHASE III FEASIBILITY COMMITTEE
REGULAR MEETING**

TUESDAY, FEBRUARY 12, 2013

**GRANITE REEF SENIOR CENTER, ROOM 10
1700 NORTH GRANITE REEF ROAD
SCOTTSDALE, ARIZONA 85257
MINUTES**

MEMBERS PRESENT: Mike Nolan, Chair
Patrick Weeks, Vice Chair
Nancy Dallett
Ken Travous

STAFF: Kroy Ekblaw
Gary Meyer
Steve Geiogamah
Lusia Galav

Call to Order/Roll Call

Chair Nolan called the meeting of the Desert Discovery Center Phase III Feasibility Committee to order at 8:06 a.m. A formal roll call confirmed a quorum of members present as stated above.

Chair Nolan reported that Melinda Gulick resigned from the Committee following the February 21 meeting of 2012.

1. Agenda Items

- Ethics Training
- Election of Officers

COMMITTEE MEMBER TRAVOUS MOVED TO RETAIN THE CURRENT CHAIR AND VICE CHAIR OF THE DDC PHASE III FEASIBILITY STUDY. VICE CHAIR WEEKS SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF FOUR (4) TO ZERO (0).

- Discuss, Review and Possible Action on the DDC III Committee Draft Annual Report
- Status of DDC Project and discussion of next steps

Kroy Ekblaw reviewed the events of the past year. The DDC completed their recommendations in February 2012. At their first meeting in April, City Council accepted all the Committee's recommendations and directed staff to explore potential interest from operators. Staff put together a Request for Qualifications (RFQ), which was followed by a Request for Proposal (RFP) that was released in September of 2012 with input from a well-rounded team of experts. The RFP made it clear that the operator was expected to raise \$25 million in capital and assume yearly operating costs. One attendee was present at the pre-submittal meeting, but no applications were received by the November 28 deadline.

Mr. Ekblaw suggested the Committee re-evaluate the RFQ and the options regarding the funding component, the scope of the DDC, and the phasing opportunities, and consider possible alternatives for a new site. He said the McDowell Sonoran Preserve Commission (MSPC) is generally comfortable with the DDC concept and mission, but they continue to have concerns about its location within the boundary of the Preserve. They could potentially make a recommendation to look for an alternative site adjacent to, but outside the Preserve. The Tourism Development Commission (TDC) has been generally supportive of the concept. Both commissions contain many new members who are unfamiliar with the project's history.

Committee Member Dallett inquired why no group submitted an application. Mr. Ekblaw explained that in the feedback involved that they did not want to commit private funds before the extent of the public commitment was fully understood.

Vice Chair Weeks asked whether the RFQ required groups to form a 501(c)(3) prior to submittal. Mr. Ekblaw explained that the only requirement was to form the organization prior to entering into a contract with the City. A public vote would be possible before the contract was signed, but the City could not issue \$50 million in bonds unless the private sector matched with a \$25 million commitment.

Committee Member Travous felt that given the current economic situation, few cities would feel emboldened enough to support such an ambitious project unless it was primarily driven by the private sector. Chair Nolan said the DDC has been waiting for private sector support since the 1980s. That support will need to materialize before the project can advance.

Mr. Ekblaw said the Committee's motion last year recommended setting aside some money from the bed tax to help advance the development effort. Staff will meet soon to identify potential costs and consultants. Vice Chair Weeks noted that a lot of money has been spent studying the Gateway site, and he questioned the purpose of introducing new sites into conversation at this time. The real concern is to find an operator and understand their business model, and to determine the extent of the community's support. Mr. Ekblaw responded that the intent is not to change the DDC concept. The site layout might have to be altered, but the vast majority of the effort has been on the educational, marketing, and business aspects. The understanding has always been that the operator would have the freedom to come up with a different design concept if

they deemed it necessary. Staff is prepared to present a number of alternative sites for the Committee to consider.

Chair Nolan said the main benefit in considering alternative sites is to make the project more attractive, as the potential operator would not be burdened by Preserve-related restrictions. On the other hand, the new site could affect the visitation potential, and any required land purchases would only add to the total cost of the project. In response to an inquiry from Committee Member Travous, Mr. Ekblaw explained that various sites have been considered since the 1980s. The Gateway site became the primary focus starting in the late 1990s, but City Council has never taken formal action to select it as the final site for the DDC. This issue will likely continue until other sites are seriously considered.

Vice Chair Weeks said he prefers the Gateway site to those further north because of its proximity to the city core. However, he doubted that the site could accommodate the school groups that would be necessary for the DDC to be a success. Any consideration on alternative sites should factor in reasonable accessibility. Chair Nolan said some of the proposed sites would require few changes to the study, while others would require a great deal more work. He suggested inviting Consult Econ to offer their opinions on the feasibility of each proposed site.

Committee Member Dallett felt the study concept was substantially tied to the location. It was situated on a specific piece of land, with specific views in mind, and with the access to the Gateway trail users and traffic patterns unique to that site. Some aspects, like the educational plan are easily adaptable, but the overall plan cannot be easily severed from the site. Committee Member Travous said the consideration of other sites would help determine whether a compelling reason exists to move the DDC. No matter where it goes, some people will oppose it for some reason. Vice Chair Weeks said if an alternative site is chosen, more money would have to be spent preparing the study package for the new site.

Chair Nolan stated that considering the extensive market research conducted in Phase Two, it would be interesting to determine whether the voices that have arisen in opposition to the Gateway site are truly representative of the larger community.

Vice Chair Weeks inquired about the probability of the DDC going to a bond vote this year. Mr. Ekblaw explained that the Bond Task Force chose not to make any DDC-related recommendations this year. Without an operator, it is questionable if the City Council will vote to include it in a bond this year.

Committee Member Dallett suggested exploring whether Arizona State University would be interested in working with the City on a common learning opportunity. Vice Chair Weeks noted that ASU has an MOU with the Arizona Science Center, which would cause him to recuse from that conversation. He felt a number of institutions would be interested in hearing about the DDC.

Committee Member Travous suggested meeting with the TDC, whose backing is critical to the project's success. Vice Chair Weeks felt it would be important for the Committee to visit the alternative sites before making any decisions.

2. Staff and Committee Updates (A.R.S. 38-431.02(K))

Mr. Ekblaw stated that the next meeting is scheduled for February 21. Two members noted conflicts with that date, so an alternate will be determined.

3. Public Comment (A.R.S. 38-431.02(K))

Mr. Ekblaw noted that Dan Gruber was unable to attend this meeting, but he submitted his ideas on what to do before another RFQ is released.

4. Identification of Future Agenda Items

No further agenda items were proposed.

5. Adjournment

With no further business to discuss, the Committee meeting adjourned at 9:09 a.m.

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